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**SF 226** – Increase Contribution Rates Under Chapter 411 (LSB1635SV.1)  
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Fiscal Note Version – As amended by the Senate

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### **Description**

**Senate File 226** establishes a presumption that cancer and infectious diseases are work-related for purposes of disability and death benefits in the Statewide Fire and Police Retirement System and increases the contribution rate.

### **Background**

- Senate File 226 increases the minimum contribution rate for members of the Statewide Fire from 9.35% to 9.40%.
- There are 3,881 members of the Statewide Fire and Police Retirement System (411). Of these members, 1,637 are firefighters and 2,244 are police officers.
- Since the inception of the Retirement Plan on January 1, 1992, there have been 13 cancer disabilities. Ten of these were considered work-related (accidental) due to causation (lung presumption). Of these ten, four were police officers and six were firefighters. The remaining three were cancer disabilities considered non-work related (ordinary), of which all three were police officers. The three types of cancers were renal, liver, and throat.
- Since the inception of the Retirement Plan on January 1, 1992, there has been one disability due to infectious disease (hepatitis). A police officer contracted the disease while engaged in subduing an individual.
- According to the National Conference on State Legislatures (NCSL), during the 2007-2008 Legislative Sessions, there were four States that enacted legislation approving the cancer presumption for firefighters and seven States where it failed. A total of 18 States have a cancer presumption for firefighters in statute.

### **Assumptions**

- The actuarial cost of the cancer assumption, as calculated by the 411 System's actuary, is 0.04 of 1.00%, and is paid by the members.
- The average annual contribution cost to each member ranges between \$25 and \$30.
- The lifetime cost-to-treat average is \$100,000 per person and would be paid by the cities.
- Infectious diseases are already included in the non-work-related disability category and therefore, have been projected as part of the plan's actuarial costs. The System's liability can be somewhat higher when a disability is considered work-related (accidental) rather than an ordinary disability.

### **Fiscal Impact**

There is no impact to the State General Fund or the 411 System, as the contribution costs are paid by the plan members. The fiscal impact to the cities is a lifetime cost-to-treat average of \$100,000 per person.

### **Sources**

Municipal Fire and Police Retirement System  
Iowa League of Cities  
National Conference of State Legislatures (NCSL)

/s/ Holly M. Lyons

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March 30, 2009

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56, Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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